

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
CORE SCIENTIFIC, INC. <i>et al.</i> , ¹)	Case No. 22-90341 (CML)
)	
Debtors.)	(Jointly Administered)
)	

**SUMMARY COVERSHEET TO THE THIRD INTERIM FEE APPLICATION OF
DELOITTE FINANCIAL ADVISORY SERVICES LLP FOR COMPENSATION OF
SERVICES RENDERED AS FINANCIAL SERVICES PROVIDER TO THE DEBTORS
FOR THE PERIOD FROM JULY 1, 2023 THROUGH SEPTEMBER 30, 2023**

Name of Applicant:	Deloitte Financial Advisory Services LLP	
Applicant's Role in Case:	financial services provider to Debtors and Debtors in Possession	
Effective Date of Order of Employment Signed:	01/13/2023 by order, dated April 13, 2023 [Docket No. 789]	
	Beginning of Period	End of Period
Time period covered by this Application:	07/01/2023	09/30/2023
Time period(s) covered by prior Applications:	01/13/2023	06/30/2023
Total amounts awarded in all prior Applications:	\$59,663.00	
Total fees requested in this Application:	\$6,389.50	
Total professional fees requested in this Application:	\$4,457.00	
Total actual professional hours covered by this Application:	5.0	
Average hourly rate for professionals:	\$891.40	
Total paraprofessional fees requested in this Application:	\$1,932.50	
Total actual paraprofessional hours covered by this Application:	7.5	
Average hourly rate for paraprofessionals:	\$257.67	
Reimbursable expenses sought in this application:	\$0.00	
Total Fees and Expenses Requested in this Statement (inclusive of 20% holdback):	\$6,389.50	

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The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors' corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CORE SCIENTIFIC, INC. *et al.*,²

Debtors.

Chapter 11

Case No. 22-90341 (CML)

(Jointly Administered)

**THIRD INTERIM FEE APPLICATION OF DELOITTE FINANCIAL ADVISORY
SERVICES LLP FOR COMPENSATION OF SERVICES RENDERED AS FINANCIAL
SERVICES PROVIDER TO THE DEBTORS FOR THE PERIOD
FROM JULY 1, 2023 THROUGH SEPTEMBER 30, 2023**

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT [HTTPS://EDF.TXB.USCOURTS.GOV/](https://edf.txb.uscourts.gov/) WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED. REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Name of Applicant:

Deloitte Financial Advisory Services LLP

Authorized to Provide Professional Services as:

Financial Services Provider

Date of Retention:

Effective as of January 13, 2023

Period for which Compensation and Reimbursement is Sought:

July 1, 2023 through September 30, 2023

Total Amount of Fees Requested:

\$ 6,389.50

Amount of Expense Reimbursement Sought

\$ -

Total Amount of Fees and Expense:

\$ 6,389.50This is an: ☐ Monthly ☒ Interim ☐ Final Application

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The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors' corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

PRIOR FEE APPLICATIONS SERVED

Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
01/13/2023 - 03/31/2023	\$ 39,175.50	\$ -	\$ 39,175.50	\$ -
04/01/2023 - 05/31/2023	\$ 10,323.50		\$ 10,323.50	
06/01/2023 - 06/30/2023	\$ 7,242.00		\$ 7,242.00	
07/01/2023 - 07/31/2023	\$ 3,652.50		\$ 2,922.00	
08/01/2023 - 08/31/2023	\$ 2,737.00		\$ 2,189.60	

\$ 63,130.50 \$ - \$ 61,852.60 \$ -

CUMULATIVE TIME SUMMARY BY PROFESSIONAL

For the Period of July 1, 2023 through September 30, 2023

Professional	Level	Rate	Hours	Fees
<i>Accounting and Financial Reporting Advisory Services</i>				
Weber, Chris	Partner/Principal	\$700.00	0.5	\$350.00
Lucas, Michael	Senior Manager	\$650.00	0.5	\$325.00
Professional Subtotal:			1.0	\$675.00

Professional	Level	Rate	Hours	Fees
<i>Accounting Matters under ASC 852</i>				
Sullivan, Mike	Managing Director	\$995.00	2.6	\$2,587.00
Professional Subtotal:			2.6	\$2,587.00

Professional	Level	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
Sullivan, Mike	Managing Director	\$995.00	0.5	\$497.50
Auyeung, John	Senior Manager	\$775.00	0.9	\$697.50
McDonald, Carisa	Senior Consultant	\$275.00	3.8	\$1,045.00
Gutierrez, Dalia	Consultant	\$250.00	2.2	\$550.00
Majumder, Aritra	Consultant	\$225.00	1.0	\$225.00
Verma, Anshu	Consultant	\$225.00	0.5	\$112.50
Professional Subtotal:			8.9	\$3,127.50

Total	Blended Rate:	\$511.16	12.5	\$6,389.50
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CUMULATIVE FEES BY CATEGORY SUMMARY

For the Period of July 1, 2023 through September 30, 2023

Categories	Hours	Fees
Accounting and Financial Reporting Advisory Services	1.0	\$675.00
Accounting Matters under ASC 852	2.6	\$2,587.00
Preparation of Fee Applications	8.9	\$3,127.50
Fees Category Subtotal :	12.5	\$6,389.50

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
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**THIRD INTERIM FEE APPLICATION OF DELOITTE FINANCIAL ADVISORY
SERVICES LLP FOR COMPENSATION OF SERVICES RENDERED AS FINANCIAL
SERVICES PROVIDER TO THE DEBTORS FOR THE PERIOD
FROM JULY 1, 2023 THROUGH SEPTEMBER 30, 2023**

3 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors' corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

for the period commencing July 1, 2023 through and including September 30, 2023 (the “Interim Application Period”). In support of this Interim Fee Application, Deloitte FAS respectfully represents as follows:

JURISDICTION

1. The Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

STATUTORY BASIS

2. The statutory predicates for the relief requested herein are: (i) sections 330 and 331 of the Bankruptcy Code; (ii) rule 2016 of the Bankruptcy Rules; and (iii) rule 2016-1 of the Local Rules.

BACKGROUND

3. On December 21, 2022 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. No trustee or examiner has been appointed in these chapter 11 cases.

5. On January 9, 2023, the United States Trustee for Region 7 (the “U.S. Trustee”) appointed an official committee of unsecured creditors.

6. On February 21, 2023, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 541] (the “Compensation Order”), which generally sets forth the procedures for interim and final compensation and expense reimbursement for retained professionals.

RETENTION OF DELOITTE FAS

7. On February 16, 2023, the Debtors filed the *Application of Debtors for Entry of an Order (I) Authorizing the Employment and Retention of Deloitte Financial Advisory Services LLP as Financial Services Provider Effective as of January 13, 2023 and (II) Granting Related Relief* [Docket No. 531] (the “Retention Application”).

8. On April 13, 2023, the Court entered an order approving the Retention Application [Docket No. 789] (the “Retention Order”).

RELIEF REQUESTED

9. By this Interim Fee Application, Deloitte FAS respectfully seeks interim compensation of 100% of its fees in the amount of \$6,389.50 incurred during the Interim Application Period. Deloitte FAS did not incur any expenses during the Interim Application Period. Deloitte FAS submits this Interim Fee Application in accordance with the Compensation Order and the Retention Order. All services for which Deloitte FAS requests compensation were performed for the Debtors.

BASIS FOR RELIEF

10. This is the third interim fee application filed by Deloitte FAS in these cases. In connection with the professional services rendered, by this Interim Fee Application, Deloitte FAS seeks compensation in the amount of \$6,389.50. The Applicant maintains computerized records of the time expended in the rendering of the professional services required by the Debtors. These records are maintained in the ordinary course of the Applicant’s business. A detailed statement of hours spent rendering professional services to the Debtors in support of Deloitte FAS’s request for compensation for fees incurred during the Interim Application Period is attached hereto as Exhibit

A. Exhibit A: (i) identifies the professionals and paraprofessionals that rendered services in each project category; and (ii) describes each service such professional or paraprofessional performed.

11. No agreement or understanding exists between Deloitte FAS and any nonaffiliated or unrelated person or persons for the sharing of compensation received or to be received for professional services rendered in or in connection with these cases.

DESCRIPTION OF SERVICES RENDERED

Deloitte FAS provides below an overview of the services it rendered as financial services provider for the Debtors during the Interim Application Period. Detailed descriptions of these services, the amount of fees incurred, and the amount of hours spent providing services throughout the Interim Application Period are also provided in the attached Exhibits.

Accounting and Financial Reporting Advisory Services:

Hours 1.0, Amount \$675.00

- Deloitte FAS reviewed and held discussions regarding legal entity restructuring considerations for chapter 11 emergence.

Accounting Matters under ASC 852:

Hours 2.6, Amount \$2,587.00

- Deloitte FAS reviewed the amended plan of reorganization and disclosure statement for items requiring accounting consideration in planning for emergence from chapter 11 .

Preparation of Fee Applications:

Hours 8.9, Amount \$3,127.50

- Deloitte FAS prepared its certain of its prior interim fee applications and monthly fee statements.

ALLOWANCE OF COMPENSATION

12. Because of the benefits realized by the Debtors, the nature of services provided, the amount of work done, the time consumed and the skill required, Deloitte FAS requests that it be allowed, on an interim basis, compensation for the professional services rendered during the Interim Application Period in the sum of \$6,389.50.

13. During the Interim Application Period, allowance of compensation in the amount requested would result in a blended hourly billing rate for professionals of approximately \$511.16.

14. Deloitte FAS respectfully submits that the professional services rendered by Deloitte FAS on behalf of the Debtors during the Interim Application Period were reasonable, necessary and appropriate to the administration of these chapter 11 cases and related matters.

**DELOITTE FAS'S REQUESTED FEES SHOULD BE ALLOWED
BY THIS COURT**

15. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code “reasonable compensation for actual, necessary services rendered . . . and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330 sets forth the criteria for the award of compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (e) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

- (f) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

16. In the instant case, Deloitte FAS respectfully submits that the services for which it seeks compensation in this Interim Application Period were necessary for and beneficial to the Debtors and were performed economically, effectively, and efficiently. Deloitte FAS further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors. Further, in accordance with the factors enumerated in section 327(a) and 328(a) of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (i) the complexity of these cases; (ii) the time expended; (iii) the nature and extent of the services rendered; (iv) the value of such services; and (v) the costs of comparable services other than in a case under the Bankruptcy Code. Accordingly, the approval of the compensation sought herein is warranted.

CERTIFICATE OF COMPLIANCE AND WAIVER

17. The undersigned representative of Deloitte FAS certifies that Deloitte FAS has reviewed the requirements of rule 2016-1 of the Local Rules and that the Interim Fee Application substantially complies with that Local Rule. To the extent that the Interim Fee Application does not comply in all respects with the requirements of Local Rule 2016-1, Deloitte FAS believes that such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, Deloitte FAS respectfully requests that the Court enter an order: (i) granting allowance, on an interim basis, of compensation for professional services rendered to the Debtors by Deloitte FAS for the Interim Application Period in the amount of \$6,389.50, which represents 100% of the total compensation for professional services rendered during the Interim Application Period; (ii) authorizing and directing the Debtors to pay all such amounts to Deloitte FAS; and (iii) granting such other and relief as may be just and proper.

Dated: November 20, 2023
Morristown, New Jersey

Respectfully submitted,

DELOITTE FINANCIAL ADVISORY
SERVICES LLP

/s/ Michael C. Sullivan
Michael C. Sullivan
Managing Director
110 Morris Street
Morristown, NJ 07960
Telephone: 212.436.4265
Facsimile: 866.584.5524

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
)	
CORE SCIENTIFIC, INC. <i>et al.</i> , ¹)	Case No. 22-90341 (CML)
)	
Debtors.)	(Jointly Administered)
)	

CERTIFICATION OF MICHAEL C. SULLIVAN

Michael C. Sullivan, deposes and says:

- 1) I am a managing director in the applicant firm, Deloitte Financial Advisory Services LLP.
- 2) I have personally led, as the engagement director, the professional services rendered by Deloitte Financial Advisory Services LLP, as financial services provider and am familiar with all work performed on behalf of the Debtors by the personnel of my firm.
- 3) I have reviewed the foregoing Fee Application and the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Date: November 20, 2023

/s/ Michael C. Sullivan

Michael C. Sullivan
Managing Director

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Exhibit A

**Professional Fees for the Fee Period
July 1, 2023 through September 30, 2023**

Core Scientific, Inc.

Deloitte Financial Advisory Services LLP

Fees Sorted by Category for the Fee Period

July 01, 2023 - September 30, 2023

Date	Description	Rate	Hours	Fees
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Accounting and Financial Reporting Advisory Services

07/06/2023

Lucas, Michael	Meeting with M. Sullivan, K. Gerstel, C. Weber (Deloitte), N. Tasso, C. O'Brien, R. Massey (Deloitte Tax) to discuss legal entity restructuring considerations for emergence from chapter 11.	\$650.00	0.5	\$325.00
Weber, Chris	Meeting with M. Sullivan, M. Lucas, K. Gerstel (Deloitte), N. Tasso, C. O'Brien, R. Massey (Deloitte Tax) to discuss legal entity restructuring considerations for emergence from chapter 11.	\$700.00	0.5	\$350.00

Subtotal for Accounting and Financial Reporting Advisory Services:			1.0	\$675.00
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Accounting Matters under ASC 852

07/06/2023

Sullivan, Mike	Meeting with M. Lucas, K. Gerstel, C. Weber (Deloitte), N. Tasso, C. O'Brien, R. Massey (Deloitte Tax) to discuss legal entity restructuring considerations for emergence from chapter 11.	\$995.00	0.5	\$497.50
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08/23/2023

Sullivan, Mike	Review amended plan of reorganization for items requiring consideration in fresh start accounting.	\$995.00	0.9	\$895.50
Sullivan, Mike	Review disclosure statement for amended plan of reorganization for items requiring consideration in emergence accounting.	\$995.00	0.8	\$796.00

08/28/2023

Sullivan, Mike	Review plan of reorganization for items requiring analysis for emergence accounting.	\$995.00	0.4	\$398.00
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Subtotal for Accounting Matters under ASC 852:			2.6	\$2,587.00
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Preparation of Fee Applications

07/04/2023

Majumder, Aritra	Review Core Scientific (FAS) June'23 file.	\$225.00	1.0	\$225.00
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Core Scientific, Inc.

Deloitte Financial Advisory Services LLP

Fees Sorted by Category for the Fee Period

July 01, 2023 - September 30, 2023

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
07/05/2023				
Verma, Anshu	Secondary review of fee detail for June 2023 for fee application preparation.	\$225.00	0.5	\$112.50
07/12/2023				
McDonald, Carisa	Prepare June fee exhibit for review.	\$275.00	0.7	\$192.50
07/14/2023				
Auyeung, John	Review June 2023 fee details in preparation for monthly fee statement.	\$775.00	0.3	\$232.50
Gutierrez, Dalia	Prepare exhibits and charts for June monthly fee application.	\$250.00	1.0	\$250.00
07/17/2023				
McDonald, Carisa	Prepare June 2023 monthly fee statement	\$275.00	0.8	\$220.00
07/20/2023				
McDonald, Carisa	Prepare second interim fee application for review.	\$275.00	1.3	\$357.50
07/27/2023				
Auyeung, John	Review second interim fee application covering the 3 months ended June 30, 2023 in preparation for filing with the Court.	\$775.00	0.4	\$310.00
Sullivan, Mike	Review draft second interim fee application.	\$995.00	0.5	\$497.50
07/28/2023				
McDonald, Carisa	Service monthly fee statements for April through June.	\$275.00	0.3	\$82.50
08/02/2023				
McDonald, Carisa	Finalize second interim fee application.	\$275.00	0.3	\$82.50
08/07/2023				
Gutierrez, Dalia	Review July fee detail in preparation for the monthly fee application.	\$250.00	0.6	\$150.00
08/08/2023				
Auyeung, John	Review fee details for July 2023 for monthly fee statement preparation.	\$775.00	0.2	\$155.00

Core Scientific, Inc.

Deloitte Financial Advisory Services LLP

Fees Sorted by Category for the Fee Period

July 01, 2023 - September 30, 2023

Date	Description	Rate	Hours	Fees
<i>Preparation of Fee Applications</i>				
08/09/2023				
Gutierrez, Dalia	Prepare exhibits for July monthly fee application.	\$250.00	0.6	\$150.00
08/11/2023				
McDonald, Carisa	Finalize July monthly fee statement.	\$275.00	0.4	\$110.00
Subtotal for Preparation of Fee Applications:			8.9	\$3,127.50
Total			12.5	\$6,389.50

Recapitulation

Name	Rate	Hours	Fees
Sullivan, Mike	\$995.00	3.1	\$3,084.50
Auyeung, John	\$775.00	0.9	\$697.50
Weber, Chris	\$700.00	0.5	\$350.00
Lucas, Michael	\$650.00	0.5	\$325.00
McDonald, Carisa	\$275.00	3.8	\$1,045.00
Gutierrez, Dalia	\$250.00	2.2	\$550.00
Majumder, Aritra	\$225.00	1.0	\$225.00
Verma, Anshu	\$225.00	0.5	\$112.50